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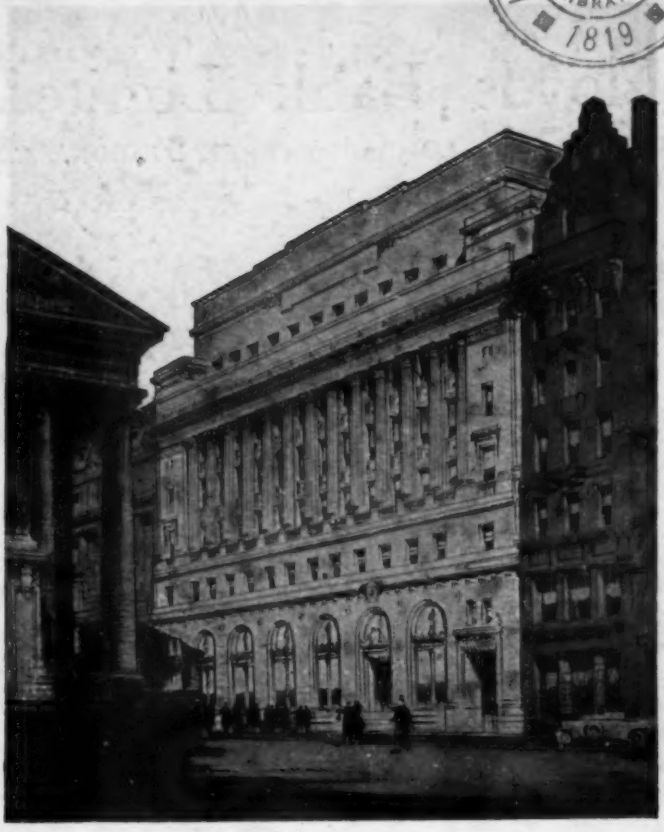

Lloyds Bank Limited

MONTHLY REVIEW

JULY 1935

1677

Lloyds Bank Limited

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TABLE OF CONTENTS

	PAGE
STABILISATION *By Professor Charles Rist*	391
NOTES OF THE MONTH	404
HOME REPORTS	409
OVERSEAS REPORTS	423
STATISTICS	436

GIFT
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Lloyds Bank Limited
Monthly Review

New Series—Vol. 6 JULY, 1935 No. 65

****Recent developments have brought to the front the question of the stabilisation of the world's leading currencies and this important problem is arousing widespread interest. Lloyds Bank therefore proposes to publish in its* MONTHLY REVIEW *a series of articles on this question, prepared by writers of different nationalities and expressing various points of view. The first of these articles appeared in the April issue of the* REVIEW. *The Bank is not necessarily in agreement with any of the arguments or conclusions contained in any of these articles.*

Stabilisation

By Professor Charles Rist
(Membre de l'Institut)

THE year 1930 marks a complete change of outlook on the subject of currency stabilisation. Before that date the need for stabilisation, and for putting an end to the system of paper currencies which had been inaugurated with the War, was a sacrosanct dogma. All the large Central Banks, the Financial Committee of the League of Nations, and the various Governments themselves, rivalled one another in their zeal for restoration of the gold standard. This was looked upon as the most urgent task of international economic policy. Now the whole situation is altered. Those very countries which had been most ardent in advocating restoration of the gold standard are now most sceptical and hesitant in regard to its possible effects. They do not deny that it may eventually be necessary, but, at the same time, they advance the most varied reasons for postponing it as long as possible.

The grounds for this change of outlook are not hard to divine. Many countries, in their inordinate haste to return to

gold, went astray as to the level at which they reasonably could stabilise; most of them aimed at too high a level, failing to appreciate the difficulties in the way of a return to old gold parities after the formidable war-time inflation. They acted indeed in all good faith, and with the laudable desire to uphold the sanctity of pre-war contracts. But the monetary upheaval brought about by the War had been too vast. Prices could not be maintained at those levels which they had reached in consequence of the multiplication, all over the world, of various and artificial means of payment. The crisis broke out. Although it tumbled down prices below the levels of 1913, and even below the levels of 1895, which was the low-water mark of the nineteenth century, men still hesitate about returning to a gold standard.

This hesitation, in my opinion, is no less ill-starred than was the illusion of ten years ago, that led to a return to the gold standard at the old parity. No knowing and impartial man will deny that the experience of the last ten years is more than sufficient to enlighten us upon what is a reasonable level at which the various currencies could be stabilised. The prolongation of existing uncertainty is paralysing foreign trade and it compels the continued unemployment of millions of individuals; nay more, it drives us further and further away from that state of equilibrium which is essential to international concord and agreement. It is above all upon this last-named effect that I desire to focus the attention of my readers, for I am convinced that the prevailing fondness for negatives is the real danger-point in the present situation.

The first result of instability of currencies is to deprive gold movements of their customary signification.

In an international system where all currencies are based on gold, movements of the yellow metal from one country to another are due to but few causes. Those movements represent the existence of a temporary disequilibrium in the balance of trade—and such is the case when their duration is short; but, when they are prolonged, they are due to a difference in the price-level of the countries concerned. Usually this difference in the price-level quickly disappears, and it does so in consequence of the inevitable restriction of credit which occurs in a country exporting gold, coupled with the corresponding

extension of credit which takes place in a country importing gold. Besides, the importation of gold by several countries simultaneously may become quite a normal feature of economic life in those periods, such as the present, when production of gold is rapidly increasing. For gold represents, to those countries which produce it, a commodity just like any other product; it can be exchanged for the goods of other countries which utilise gold as their currency. Moreover, the larger the production of gold the greater will be its circulation.

And so it is that, even in times of stable currencies, gold movements are not invariably due to the same causes, and they must be interpreted according to prevailing conditions. Nothing indeed could be more fallacious than to attribute them all to one and the same cause, for example to the need for adjusting the balance of trade.

But in a period of monetary instability the situation is further complicated, since yet another cause of gold movements must be added to those just enumerated, and that is the existence of fluctuations in the currency itself. When the Government of the United States proclaims its intention to vary the price of an ounce of gold by successive stages, or when an Act of Parliament is passed suspending the legal duty of the Bank of England to convert its own notes into gold, then international opinion, and sometimes national opinion as well, is filled with apprehensions lest the gold-value of deposits and of savings, in the shape either of securities or of real estate, may at any moment be depreciated. In such circumstances the sole concern of depositors and investors is to protect their possessions at the earliest opportunity. Their first aim is to transfer their monies and investments into that currency which appears to be the most stable—in other words, to fly from the currency whose gold value is menaced. And similar apprehensions arise even in regard to the gold currencies themselves when the progress of events creates alarm that they also may be devalued.

II

The large gold movements which have taken place in recent years may almost all be ascribed to fears of this nature.

Let us look at those which, during 1933 and 1934, first withdrew gold from the United States and then led to its return. In 1933 the United States lost 150 million dollars. Why?

Solely because the Government proclaimed its intention to raise by successive stages the price of an ounce of gold in dollars, that is to say to reduce systematically the gold-value or the gold-content of the dollar. Immediately all holders of dollars resorted to every expedient to exchange their dollars for currencies they regarded as more stable. And this development took place notwithstanding the fact that all the factors in the balance of trade appeared favourable to the United States.

In 1934 a contrary movement took place. The United States imported more than 1,100 million dollars. Attempts have been made to link this up with the state of the trade balance. It suffices to trace the exact periods of the largest exodus of gold to the U.S.A. in order to demonstrate that the trade balance had hardly any influence at all upon the situation. Out of the 1,100 million dollars imported into the States during the whole year, 700 million were imported during February and March. Why so? Simply because the quotation for the dollar in London and Paris was higher than the fresh price for gold per ounce which the United States Government fixed at the end of January, 1934. The margin thus created by desire of the American Government furnished a splendid opportunity to arbitragists to make profits by buying gold in Paris or London, by selling it in New York at the new price artificially fixed, and by reselling the dollars thus acquired at the higher price at which they were still quoted in London and Paris. These operations ceased when the margin in question disappeared as a result of the operations themselves. Henceforward the amount of gold exported from France or Great Britain to New York was very small.

Thus the spectacular movements of gold in 1933 and 1934 are mainly attributable to the deliberate manipulation of the currency by the United States Government, and in no degree to the favourable trade balance of the United States. Is it not strange to observe the trade balance of the United States becoming less and less favourable since the beginning of 1935, and the import of gold into the U.S.A. steadily growing during recent months?

Numerous other gold movements of recent years all have the same explanation—for example, most of those which brought gold from London to Paris, or back again from Paris to London. In 1933, during the London Economic Conference, the formation of the gold bloc resulted in an enormous

strengthening of the reserves of the Bank of France, of the National Bank of Belgium, and of the Swiss and Dutch National Banks. Inversely, fears of a devaluation of the French franc have, during recent weeks, caused the Bank of France to lose about 10,000 millions of gold francs.

All this has no relation to the balance of trade; it arises simply and solely from public uncertainty as to the currency policy of the various Governments concerned.

Nor has it anything to do with the famous floating or fugitive capital which has been so much discussed in recent years. This floating capital is the *consequence* and not the *cause* of currency instability. It is *because currencies are unstable* that many individuals and companies try to keep their capital as liquid as possible instead of investing it. In times of panic one does not incur loss on deposits in a strong bank, but one does risk a loss if it is necessary to sell securities or real estate at depreciated values. Thus people keep an increasing amount of money on deposit. Rates of interest no longer act as a guide to capitalists; their primary aim is monetary security, that is to say, safety.

Hence the abnormal situation on the money market: short-term money is abundant at very low rates of interest, while long-term borrowing is in many countries very costly. This disparity is in itself an indication of unhealthiness.

III

Monetary instability has yet a further effect. Not only does it alter the signification of gold movements. It is the real and direct cause of that widespread hoarding of the metal which postpones, more than any other single circumstance, the rise in prices and increase in employment, desired by everyone.

When currencies are for the most part unstable, and when even stable currencies are menaced, the natural tendency for individuals, and for companies concerned with the protection of important interests, is to acquire the metal which appears to be the steadiest in intrinsic value. People being unable to protect themselves otherwise, naturally have recourse to the precious metal itself. During the past three years, according to the computation of the Bank of International Settlements, a sum of 7,000 millions of Swiss francs has been buried in the

strong rooms of banks, preferably in those countries least threatened by a Government embargo.

Thus in Great Britain, despite the export of considerable amounts of gold, the surplus of imports over exports of gold during the past three years amounts to 6,000 millions of Swiss francs. Now the world production of fresh gold during the same period of three years is 7,000 millions of Swiss francs. The totals approximate to each other, and the conclusion is manifest: the amount of gold hoarded is nearly equal to the fresh amount extracted from the mines.

From 1890 to 1895 the quantity of fresh gold mined amounted only to 4,250 millions of Swiss francs. This sum was sufficient to bring about a rise in prices from 1895 onwards, and, sustained by an annual production of 1,300 millions of Swiss francs, it continued till 1913. Now the annual increase in gold production has reached about 2,300 millions.

Thus amounts of gold *very much less* than those which are mined annually now sufficed, in the past, to bring about a recovery in the price-level. *The essential point is that these amounts were not, as at present, hoarded.* It is a common impression that gold reserves held by the Central Banks are likewise hoarded.

But the gold which is *hoarded* to-day in the strong rooms of banks is not available for expansion of the currency in circulation. On the other hand, the gold which is held in the Central Banks against notes issued or as security for current accounts increases the amount of money in circulation. Thus it comes about that the hoarding which is at present taking place deprives the world of the best means of witnessing a recovery in prices; and that hoarding, both by companies and individuals, is the direct result of the monetary uncertainty which prevails the world over.

So long as gold has not reverted to its normal use, which is that of being sold in Central Banks in exchange for an augmented circulation of the currency, it is hopeless to expect a recovery in the general price-level of goods. On the other hand, so soon as gold is allowed to fulfil its proper monetary function, all the conditions will be present to promote a rise in prices. All that is needed, therefore, to secure the desired result is that all the great Central Banks should once more purchase gold at a fixed price. Until the Central Banks do this it is illogical for people to bemoan that gold flows to the U.S.A.

The sum total of international trade is *lower* in value to-day than it was in 1913. Yet the monetary reserves of the chief countries engaged in international trade (England, The United States, France, Germany, Holland, Belgium, Switzerland, Italy) are much *higher* than the corresponding reserves of 1913. Such being the position, there is every reason to believe that the gold existing in the world now, if it were liberated from hoarding as a result of the introduction of stabilisation, would render possible far greater international trade than in 1913, at existing or higher prices, and provide employment for millions of workless people.

IV

Many people believe that before stabilisation is introduced it is essential that fluctuating currencies should have reached spontaneously their " normal level."

This conception is one of the most erroneous which it is possible to entertain. Nobody denies that certain national price-levels may at a given moment be out of proportion with the world level of prices. Such a position is not dangerous unless the discrepancy is very great, and unless at the same time the holdings of gold in the country concerned are too small for that country to face heavy withdrawals.

In all other cases the position usually adjusts itself automatically, after a relatively short time. But the idea that a " normal level " will be discovered by means of preserving for a long while an unconvertible paper currency, by preventing both exports and imports of gold,* is fallacious, for the simple reason that the *mere existence of a paper currency* modifies the real trade balance such as would obtain if the country concerned were on the gold standard.

For instance, fluctuations of the pound sterling result in altering the normal flow of trade with countries outside the sterling area. If the pound falls steadily it provides a profit for purchasers of British goods, and such a profit will obviously cease when the pound has been stabilised. Here, then, we see a flow of artificial or speculative purchases,

* If an Equalisation Fund is created it is possible to induce gold to flow in or out, but only within very restricted limits. It is only when the pound sterling rises *automatically* that the Fund is in a position to buy gold. The Fund does not possess the means to operate on the Exchange Market in the way a Central Bank can operate by means of the Bank Rate.

and everybody recognises that it will cease so soon as the pound stops falling.

But in practice the pound sterling does not fall steadily. Now it rises, now it falls. Thus purchasers of British goods never know whether a movement of the pound sterling may involve them in a loss just when they were expecting a profit. The result is much hesitation on the part of would-be purchasers of British goods and, *as a matter of fact*, the purchases of British goods are *less* than they would be if the pound were stabilised. Here, then, is one channel of trade that will incontestably be different when the pound is stabilised. Nobody can honestly doubt that the flow of trade in international channels to-day is very greatly inferior, in consequence of these deplorable uncertainties, than it would be if currencies were stabilised.

How, in such circumstances, can we determine the proper rate for stabilisation of the various currencies?

Is it possible to rely upon what people call purchasing power parities? In international trade many elements enter into account besides the exchange of those goods, whereof the price-level in various countries can be compared. Recent events have demonstrated that varying price-levels adapt themselves to one another with great facility. Thus the fall of the dollar from 25 to 12 francs has not prevented countries of the gold bloc from keeping up the volume of their exports.

Can it be that people are afraid of the efflux of gold which stabilisation might involve? But at the present time the three chief countries in question have *considerable* quantities of gold at their disposal. The United States, Great Britain, and France could, without disadvantage, witness large outflows of gold. Such outflows would never continue for long, since movements of capital and of invisible exports are extraordinarily elastic and quickly correct inequalities in the price-level, and stabilisation would *ipso facto* release hoarded gold.

In the past, "expensive countries" and "cheap countries" have always existed. This never prevented exchange rates from functioning normally as between different countries. If there is a single truth demonstrated by all the experiences of the nineteenth century, it is that commercial advantages due to falling exchanges are transitory and provisional.

V

Certain writers, particularly in England, believe that the causes of the fall in prices since 1929 have been too many and inopportune rises in the Bank Rate. According to them, these rises, between 1925 and 1930, impeded economic recovery each time that it was about to take place. They attribute to rises in the Bank Rate all the economic evils of the world in recent years. They are nervous lest similar rises in future should have equally dangerous effects. Really, to apply a saying of Lord Bradbury used in another connection, these writers fondly imagine that " an earthquake can be prevented by a pill."

In fact, the period of sharp falls in the price-level has been the inevitable reaction of the period of inflation which went before. Variations in the Bank Rate have never exercised more than a secondary influence upon the price-level. When great alterations occur in the price-level—such as are sometimes called secular movements—experience shows that rises or falls in the Bank Rate can neither retard nor hasten them. During the long period of falling prices from 1873 to 1895 Bank Rate at all the leading centres steadily fell. Such falls never succeeded in giving a fresh impetus to prices or to international trade, which suffered during the whole period from unrelieved depression. Against this, the Bank Rate was frequently raised during the long period of rising prices which took place between 1895 and 1914 under the influence of imports of gold from the Transvaal. Rises in the Bank Rate in no way arrested the extraordinary economic expansion which marked those years.

Rises and falls in the Bank Rate may facilitate or may impede the rapidity of currency circulation, and may facilitate or hamper the extension of credit. But when a profound tendency for a rise or a fall in the price-level exists, and dominates international markets, the Bank Rate is itself subject to such a tendency and can neither accelerate nor retard it.

What has happened since 1930 is nothing but one of those great alterations in the price-level which are the reaction, and the normal reaction, of a period of inflation. Corresponding falls were witnessed in Europe after the great Napoleonic Wars, and in the United States of America after the Civil War. No intervention on the part of Central Banks can interrupt them.

The force of the fall in the price-level which has come upon the world since 1929 goes far beyond anything which an

alteration in Bank Rate could have produced. Besides, since 1932 Bank Rate in the principal financial centres of the world has fallen to incredibly low levels. Nevertheless, no marked recovery in the *value* as distinct from the *volume* of foreign trade has taken place. In order to effect a certain rise in paper prices a devaluation of the currency has been necessary in the United States, and a gradual depreciation of the pound sterling in Great Britain. It is these two measures, and in no sense the reducing of the Bank Rate, which are responsible for the *apparent* improvement of prices in the United States and the *apparent* maintenance of the price-level in Great Britain.

In existing conditions, money is so abundant in the leading centres, and the reserves of the Central Banks are so large in relation to the requirements of credit, that a stabilisation of currencies would create no tension whatsoever. Even if a slight rise in the Bank Rate were deemed essential to check *temporarily* any exodus of gold which might be deemed excessive, such a rise would be incapable of impeding that great recovery in foreign trade, and that widespread increase in employment, which stabilisation could not fail to bring about. The abundance of capital at all the leading centres is such that it could cope with a remarkably great expansion of foreign trade. And this expansion is arrested fundamentally by one cause—and one cause only—the instability of currencies.

Moreover, what really matters is less the Bank Rate than the prevailing rate for *long-term* investment. Now this long-term rate is high at the moment in several centres, not on account of any insufficiency of funds, but on account of the insurance premium which has, in effect, to be added to the normal rate of interest on account of the risk involved. Such a premium will automatically disappear the day when currencies are stabilised, and thus will facilitate a reduction in long-term interest, a reduction which, in all other circumstances, would have been the certain corollary of a fall in prices.

At the present time the amount of capital available for *safe* long-term investment greatly exceeds the demand.

VI

We have now to say a few words upon an objection which is often advanced to-day against the stabilisation of currencies. What is the use, it is asked, of stabilising currencies if customs

barriers and the system of quotas, which prevail at the present time all over Europe and in the United States of America, hamper the development of trade? A stabilisation of currencies, it is argued, which is not accompanied by a larger measure of free trade, would be likely to prove sterile in good results.

We are far from being amongst those who feel called upon to defend the impediments which circumstances have imposed on international trade. On the contrary, we believe that a first effect of currency stabilisation will be to facilitate the restoration of a greater measure of free trade. In particular, we are persuaded that the suppression of the system of quotas should accompany a stabilisation of currencies.

But, having said so much, we must bear in mind two essential facts: the first is that the prevailing ill-starred system of quotas and restrictions did not create the monetary disorder under which we suffer, but that they were its direct consequence. Why, for instance, were the absurd clearings of goods introduced in the countries of Central Europe, in Austria, in Hungary, in Roumania, in Germany? They all followed the devaluation of the currencies in the countries concerned, and the consequent inability they were under of meeting the flight of foreign capital. It was the embargoes placed upon foreign monies or property in these various countries, and the consequent deprivations to which the real owners were subjected, that ultimately resulted in the system of restrictions introduced everywhere. In Switzerland and in France, for instance, the introduction of quotas was due to the sale by foreigners of their products at any price, however low, in order to purchase francs. Likewise there is no doubt that the system of very restricted foreign trade, whereunder the whole world is now suffering, was directly brought about by the depreciation of currencies. The degree of protection and of nationalism which has prevailed since the War has been wholly deplorable; yet not even this could prevent a normal expansion of foreign trade between 1925 and 1930, in proportion as the various currencies recovered. The general currency collapse of 1931 was necessary to precipitate us into the folly of quotas.

The second fact which must not be forgotten is that it is impossible to reform the system of customs duties if currencies are not stable. For tactical reasons it may well be that both measures should be introduced simultaneously, or that they should succeed one another in rapid succession. But no one

can imagine that a customs tariff would be agreed upon, or that a commercial treaty would be signed, if one of the contracting parties is to be free next day to secure a fresh commercial advantage by depreciation of the currency. It would, for instance, be impossible to persuade the agricultural population of France, which forms so large a proportion of the inhabitants, to agree to reductions in the customs tariff during such a crisis as that now prevailing if the stability of currencies were not assured.

Finally, we must not forget that any *provisional* stabilisation of currencies, where the parties concerned were free to modify the stabilisation, would have no abiding result, since it would permit the existing uncertainty, which now paralyses all initiative, to continue. When a provisional and, so to say, secret stabilisation gives place to an official stabilisation, it is essential that there should be no possibility, even indirect, of altering the rates of exchange.

The more one contemplates the progress of affairs during the past ten years the more convinced one becomes that currency instability has been the root cause of most of the difficulties which international trade and wellbeing have encountered. No doubt economic nationalism is largely responsible but, as we just said, even that did not prevent a phase of great prosperity between 1926 and 1931. The violence of the crisis which has occurred since 1931 is very largely due to the foolhardy monetary policy pursued in recent years. If we had returned to the salutary monetary practices of pre-war days, if we had not wished to maintain by credits an artificial price-level manifestly too high, the fall of the *gold* price-level would doubtless have occurred sooner, but it would also have been less violent, and we should not have had to witness such a painful and prolonged readjustment.

At the present moment, with a price-level below that of 1895, the great nations can contemplate, without fear of any catastrophe, a return to that monetary stability which is still indispensable for foreign trade, and which created the prosperity of the world during the nineteenth century.

Of the whole matter this is the sum. Failure to stabilise persists because the politicians will not come close to economic reality. Hoarding of gold by companies and individuals, which we have seen to be the inescapable corollary of instability in currencies, involves the shrinkage of foreign trade. It does

this because it necessitates, in many portions of the globe, a low standard of living amongst the potential consumers of raw materials and manufactured articles, because it necessitates reduced national incomes and promotes political unrest. By a similar chain of cause and effect we trace the stubborn process of unemployment which now afflicts the whole world, not excluding Great Britain with her distressed areas.

Paris. CHARLES RIST.

June 20th, 1935.

Notes of the Month

The Money Market.—During most of June discount rates were inclined to harden. The average tender rate for Treasury bills rose from 10s. 5·70d. per cent. on May 31st to 16s. 0·69d. per cent. on June 21st, while the market rate for three months' Treasury bills advanced from $\frac{1}{2}$–$\frac{9}{16}$ per cent. to $\frac{13}{16}$ per cent. The main cause of this increase in rates was a falling-off in the banks' demand for bills. Many of the banks did not tender for Treasury bills at the end of March, and so had few bills maturing in June. Hence they could only have taken up new bills at the cost of depleting their cash reserves. Money was very easy during most of the month. At the beginning of June the payment of the 3½ per cent. War Loan caused a temporary increase in the supply of funds, and the banks were ready lenders of money repayable in June during practically the whole of the month. June 29th was the end of the half-year, and on that day the banks called a certain amount of money from the market, as they were making up their balance-sheets. The market had anticipated this calling, and during the preceding week borrowed a small amount from the Bank of England at its customary rate of ½ per cent. over Bank Rate, or 2½ per cent. Owing to this borrowing and to Treasury borrowing from the Bank of England on Ways and Means Advances, towards the close of business on June 29th money became very easy. A certain amount of money was borrowed elsewhere for repayment in July at rates which gradually stiffened to 2 per cent. During the last week of June there was a general expectation that the banks would be buying bills more freely in July, with the result that the Treasury bill tender rate on June 29th was no better than 12s. 1·53d. per cent. The supply of Treasury bills issued by tender, however, has risen from £360·4 to £485·0 millions between March 30th and June 29th, and this increase of £124·6 millions may be an additional explanation of the rise in discount rates during early June. If this rate of expansion of nearly £10 millions a week is maintained, there may not be so great a reaction in discount rates as the market was expecting at the end of June. Much depends, however, on the operations of the Exchange Equalisation Account. During most of the past three months it has been buying gold in order to support the franc and other gold *bloc* currencies, and so must have been reducing

its holdings of Treasury bills. Quite possibly this is why more bills have had to be issued by tender. Now that the gold *bloc* currencies have become stronger, the Exchange Equalisation Account no longer has to give support, and so the expansion in tender issues of Treasury bills may be checked.

The Foreign Exchanges.—June opened in the middle of the French crisis. At that date France was without a Government, the franc was weak and attacked by heavy speculation, the Banque de France was losing large quantities of gold every day, and forward francs were quoted at wide discounts. To defend its gold stocks the Banque de France had had to raise its re-discount rate to 6 per cent., and at the end of May Holland found itself involved in the crisis to the extent that the Netherlands Bank, which only a few weeks before had reduced its rate from 4½ to 4 per cent., felt bound to raise it again to 5 per cent. Fortunately, a few days later M. Laval succeeded in forming a Government in France, and the tension quickly relaxed. By the middle of June speculative attacks upon the franc had largely subsided, and the franc had recovered to the point where the Banque de France ceased to lose gold. Shortly afterwards the Banque de France reduced its re-discount rate to 5 per cent., while the Netherlands Bank reduced its rate to 4 per cent. Early in July the Banque de France's rate was reduced to 4 per cent. During the last part of June the London Exchange market was very quiet. The discount on forward gold *bloc* currencies became less, which showed that in some cases speculators against the franc were beginning to cover their open positions. There was also some repatriation of French funds from Brussels, where they had been transferred during the crisis. There was a general feeling in London that quiet conditions would prevail at least until the autumn.

M. Tannery, the Governor of the Banque de France, has made public some information regarding the crisis. The Banque de France's gold losses amounted to about Frs.10,000 millions, of which half went to the United States. The Bank was able to enforce a moderate restriction of credit, for its deposits were reduced by Frs.3,500 millions and the note circulation by Frs.500 millions. The Banque de France, however, had to make loans or re-discount bills to the extent of Frs.5,000 millions, presumably to make good the void created by the flight of funds from the country. M. Tannery alluded to the support given to the franc by the British Exchange

Equalisation Account and by the American Stabilisation Fund. In addition, the Bank of England requested the London bullion market not to facilitate forward purchases of gold in cases where they could be traced to speculation against the gold *bloc* currencies.

The Stock Exchange.—The continued improvement in British trade and the relaxation of the financial tension on the Continent has made most sections of the Stock Exchange extremely firm. The gilt-edged market eased slightly at the beginning of June, largely because of the re-opening of the new issue market to municipal borrowers, but prices have since hardened appreciably. A number of new municipal issues have been made during the month, mainly carrying interest at 3 per cent. and offered at either 99 or 99½, but as in most cases the proceeds are to be used to redeem outstanding loans, these issues will not on balance make any permanent inroad into the supply of funds seeking investment. This helps to explain the continued firmness of British Government securities. Foreign bonds have on the whole been dull. Chinese and Japanese bonds have weakened. Among South American issues Chilean bonds are easier, but there was a temporary rally in Brazilian bonds. Austrian bonds have improved, while German bonds strengthened on the announcement of the naval agreement. Home rails are slightly higher. Recent traffic returns have appeared a little more encouraging, and the announcement of the London electrification projects created a good impression. The industrial market has been strong. Electrical engineering shares at once responded to the London railway electrification announcement, while shares in aircraft manufacturing companies have advanced rapidly since the Government decided to expand the Royal Air Force. Rayon shares have risen in sympathy with the news of increased production, and iron and steel shares remain firm. In the more specialised markets, oil shares are slightly easier, and there has been a slight strengthening in the rubber share market. Kaffirs have been subject to minor variations, but base metal shares have reacted owing to the fall in the prices of metals which succeeded the American N.R.A. judgment. Tea shares have on the whole been steady, but there is no sign of improvement, and once or twice heavy selling was in evidence.

Overseas Trade.—Imports during May amounted to £64·5 millions, against £59·8 millions in April and £61·8

millions in May last year. Exports of British goods for May were £35·2 millions, compared with £33·0 millions in April and £32·8 millions in May last year. Re-exports were £5·6 millions, which is the highest figure for any month since March of last year. Imports of raw materials during May were £18·4 millions against £16·9 millions a year ago. The increase was mainly in imports of raw wool. These movements are very encouraging as earlier in the year raw material imports had been falling behind those of 1934. Imports of manufactured goods were £15·8 millions, against £14·9 millions in May, 1934, while exports of manufactured goods have risen since last year from £25·1 to £27·1 millions. The returns for the first five months of 1934 and 1935 are summarised below :—

Description	Jan.–May, 1934	Jan.–May, 1935	Increase (+) or Decrease (−)
	£ mn.	£ mn.	£ mn
Total Imports	301·3	302·1	+ 0·8
Retained Imports	276·6	278·5	+ 1·9
Raw Material Imports	91·6	87·4	− 4·2
Manufactured Goods Imports	70·1	74·1	+ 4·0
Total Exports, British Goods	157·6	173·6	+16·0
Coal Exports	12·7	12·8	+ 0·1
Iron and Steel Exports	12·8	14·9	+ 2·1
Cotton Exports	24·2	25·6	+ 1·4
British Manufactured Goods Exports ..	120·8	135·1	+14·3
Re-exports	24·7	23·6	− 1·1
Total Exports	182·3	197·2	+14·9
Visible Trade Balance	−119·0	−104·9	+14·1

Both total imports and retained imports for the five months are little changed from last year. There has been a decrease of £4·2 millions in raw material imports, mainly in those of cotton, wool, hides and skins. Manufactured goods imports have increased by £4·0 millions. £3·3 millions of this increase is due to heavier imports of non-ferrous metals and petrol, both of which are essentially raw materials. The remainder of the increase comes under the headings of machine tools and vehicles, the last being due to larger imports of motor cars from Canada and the United States. Exports continue to register a general improvement over last year. The increases are most noticeable in iron and steel, machinery, vehicles and cotton yarn and manufactures. The recovery in the cotton export trade is particularly gratifying.

Commodity Prices.—During June there was a moderate decline in British wholesale prices, but the closing index number for the month was only about one per cent. below the opening figure, and was still higher than the index number for the beginning of May. When due allowance is made for the unsettlement to world produce markets, caused at the end of May by the American N.R.A. judgment and the French economic difficulties, the recession in British prices appears very small, and it is clear that home trade and the home demand for staple products are strong enough to resist extraneous disturbances. The June fall in prices was naturally most pronounced in cotton and non-ferrous metals, for these commodities were directly affected by the N.R.A. judgment. Among foodstuffs there was a moderate decline in wheat, but there were seasonal advances in eggs and potatoes. In the United States the fall in wholesale prices was more pronounced, and the latest index number for June was below the figure for early May. French wholesale prices have fallen slightly, while Italian prices continued their slow advance. The disparity between the price-levels of these last two countries, which first became apparent a year ago, is now appreciable. German wholesale prices remain very steady.

During May the official cost-of-living index number rose from 39 to 40 per cent. above its pre-war level. The figure of 40 for the end of May compared with one of 38 for the end of May, 1934. The index number of retail food prices rose during May from 18 to 20 per cent. above its pre-war level, and the latest figure compares with a figure of 17 for the end of May, 1934. The rise in food prices during last May was mainly due to seasonal advances in the prices of eggs and potatoes and to an increase in the price of bacon. Butter and cheese became slightly cheaper. In comparison with a year ago, meat prices are, on the whole, slightly lower. Bacon, flour, bread, milk and butter are all a little dearer, while the seasonal rise in the prices of potatoes and eggs is this year more pronounced. Still, the average advance in the cost-of-living, as a whole, is only 1·5 per cent.

Home Reports

The Industrial Situation

Home trade continues to expand, and there are indications that recovery is at the moment proceeding more rapidly than since the beginning of the revival in 1933. Progress, however, is largely concentrated in the industries which produce "capital" goods, such as iron and steel, engineering and, notably, building. Conditions in certain of the "consumers' goods" industries, such as boots and shoes, are by no means discouraging. Raw material imports during May were greater in value than those of May, 1934. This is the first time for some months that an advance over the previous year has been recorded. Exports of British manufactured goods continue to register an increase over those of the previous year. Production of iron and steel is running well in excess of the previous year, and the recent agreement with the Continental Steel Cartel has improved the outlook still further. Building activity continues to establish fresh records, and a further increase in the total value of plans passed indicates a continuance of this activity for at least several months ahead. Electric power consumption continues to expand, and railway goods traffic returns for June were practically up to the previous year's level. During May there was a further slight decrease in unemployment, in spite of an increase in the numbers "temporarily stopped" in the coal-mining industry.

Consumption also is increasing at home. Retail trade during May registered an advance of 2·2 per cent. over the previous year, while both the note circulation and bank clearings outside the "town" area (roughly, the City of London) are greater than a year ago. Money is thus being spent more freely by the general public. There was a slight set-back in wholesale prices during June, but this was very moderate and, as explained on a previous page, is due to events abroad. So far as home trade is concerned, the outlook may be described as quite as promising as it has been at any time since the beginning of the revival.

As regards the overseas position, news from the Empire and from most of the sterling area remains encouraging.

Belgium has apparently benefited from the devaluation of her currency, but the outlook for the gold *bloc* countries is still very uncertain. Still, the recent crisis now appears to have passed, and reports from Holland are a little better. Industrial production in Germany is increasing, but the general economic situation of the country is in some respects obscure. The United States is faced with the termination of the N.R.A. schemes, and so is passing through a period of readjustment. Recent reports are far from discouraging, but the business outlook is difficult to gauge and is still dominated by political considerations.

Agriculture

England and Wales.—According to an official report corn crops at the beginning of June were healthy and, apart from a slight check to growth, appeared to have suffered little material damage from the unseasonable weather. Early potatoes were seriously damaged by the frosts in May, but main crop potatoes were not sufficiently forward to be affected to any great extent. Owing to lack of rain during May germination and growth were slow. Hop bines were generally healthy, but persistent cold winds retarded growth. The crop, however, showed a marked recovery at the end of the month. Yields of both seeds and meadow grass are expected to be below average. Cattle have done fairly well, and sheep and lambs are healthy. Some difficulty has been experienced in maintaining milk yields.

Scotland.—The Highland and Agricultural Society's Annual Show, held at Aberdeen in June, met with considerable success and provided a fine demonstration of the continued progress of Scottish stock breeding. The rains during June have greatly helped growth in every part of the country, and even the hay crop promises to be much better than at one time seemed likely. In the produce markets supplies are diminishing as the season advances. Wheat has been firm in small supply, but barley and oats have been mostly dull. There is a good trade in new potatoes, and a little better enquiry for old season's crop. In the livestock markets there have been fewer fat cattle and fat and store sheep on offer, but store cattle showed an increase. Prices generally have been steady to firm.

Coal

Hull.—Collieries on curtailed outputs are well stemmed for all descriptions. Prices are very firm.

Newcastle.—Northumberland screened coal continues to be a strong market. Although supplies of graded coal are plentiful, prices remain unaltered. The Durham market has been quieter, especially in coking coal and second-class bunkers. Coke prices are unchanged, but most producers are in need of prompt trade.

Sheffield.—The holidays at the pits disturbed the flow of business and caused a shortage of some qualities of steam coals. Railway demands show a substantial improvement. Export enquiry is fairly satisfactory and there is still a shortage of best steam hards and cobbles for shipment. Household fuels are quiet.

Cardiff.—The shipment position is not very favourable and new business, which is coming in slowly, is generally insufficient to promise regular employment at the collieries. Large coals are plentiful at schedule prices, their position being aggravated by the state of affairs in Italy. The shipment of many cargoes to Italy has been deferred pending financial arrangements. Sized coals remain in short supply, patent fuel is steady and coke continues firm.

Newport.—Foreign shipments of coal in May amounted to approximately 180,000 tons compared with 152,000 tons in April and 139,000 tons in May, 1934. May coastwise shipments showed an improvement of 21,000 tons over last year. Patent fuel shipments show a decline compared with April and with May, 1935, but coke shipments have improved. The colliery position has improved slightly, but there is still a lack of steady business.

Swansea.—Enquiry for best quality anthracite is very steady and prices are firm at recent levels. Second qualities are moving rather slowly, but thirds show a tendency to improve. Shipments to France continue disappointing, and those to Italy are difficult and scarce, but Canada, after a period of inactivity, is importing satisfactorily.

Scotland.—The tone of the Scottish coal market was much better than usual during June. The absence of warm weather until the end of the month prevented a decline in the demand

for household qualities at a normal rate, and industrial requirements are increasing. In addition, considerable quantities of coal are being absorbed for foreign shipment—largely against contracts arranged some time ago—and the collieries generally are well employed. Fifeshire has the distinction of being a busy area, practically all descriptions, large and small, being disposed of without difficulty. Collieries in the Lothians are open to take orders for splint coal and navigations, and in all seams, apart from the top brands of prime which are being well absorbed. In Lanarkshire and Ayrshire large coals are moving away with much less difficulty than is usual at this time of the year, and prices are steady. As regards washed nuts, singles are finding a very good outlet in all areas and particularly in Fifeshire. Pearls, however, are in poor demand, while trebles and doubles are firm in Fifeshire and steady in other districts.

Iron and Steel

Birmingham.—Deliveries kept up well during June. The arrangement with the Continental cartel has given a decidedly confident tone to the market, and consumers are realising that there is no possibility of a fall in prices. No advance is likely, however, with the result that while contracts are not being booked heavily, orders for requirements are being placed fairly freely. The undertone and prospects of the market are decidedly good. Pig-iron makers are still carrying heavy stocks, but good specifications are coming in and should take care of at least the current make of pig-iron. The foundry trade is moderately busy, and with the opening of further schemes in the building trade an increase of business in the foundries is expected.

Sheffield.—Business remains steady in the iron and steel trade. The production of crude steel is almost up to the highest recorded level. Stainless, heat-resisting and special steels are being produced in larger quantities than ever before. Aircraft steels are a strong feature and shipbuilding requirements show a welcome improvement. The scrap trade remains firm.

Tees-side.—An optimistic tone prevails in most sections and the conclusion of the agreement with the Continental Cartel has given a decided impetus to the steel trade. Heavy

tonnages are being produced and many firms are embarking on schemes of development. Demand for structural steel remains heavy. There is substantial business in semi-finished materials and sheets, and an improvement in orders for shipbuilding. Current pig-iron production is being fully absorbed up and stocks are exceptionally low. Export business is small and unattractive owing to currency difficulties and delay in securing transfer of payments to this country.

Walsall.—Malleable iron founders are still busy on current and new orders. Tube manufacturers report good business.

Wolverhampton.—Foundries continue busy and output is well maintained.

Newport.—Imports of semi-manufactured iron and steel during May were confined to balances of old contracts, and new business was suspended pending the agreement with the Continental Cartel. The average tonnage imported per week in May was 9,500 tons against 1,700 tons in April and 37,000 tons in May, 1934. Exports have been limited, and the local works are mainly engaged on orders from the motor industry and structural steelworks.

Swansea.—The tinplate trade is recovering slowly. During May production rose to 55 per cent. of capacity. Prices are steady, sales are better and exports are improving.

Glasgow.—The steel trade in the West of Scotland has shown considerable improvement both on home and export account. All branches of the tube trade are more active and a fair proportion of the tonnages produced is for export. In the sheet trade home demand for all gauges is good, the motor industry being one of the largest customers, and export business in black descriptions has increased slightly. Orders for galvanised sheets are still scarce. Steel bar re-rollers and makers of wrought-iron have now moderately good order books, owing to the lessening of Continental competition. Prospects are distinctly bright. Business in pig-iron is steady, and the outputs of the twelve furnaces in blast are being well absorbed.

Engineering

Birmingham.—Motor manufacturers have experienced some slight seasonal falling-off in trade, but accessory manufacturers remain very busy. The motor-cycle trade compares well with

a year ago, and exports show a moderate improvement on last season. Cycle manufacturers remain very busy and the export side is reported to be good. Steady orders are coming from South Africa and New Zealand. Manufacturers of electrical parts are busy.

Coventry.—The motor manufacturing trade is easing off with the approaching end of the season. Cycle and motor-cycle manufacturers are well employed. The machine tool trade continues active and the aero-engine manufacturing trade is expanding.

Leeds.—Some firms in the lighter section are finding business rather better.

Leicester.—Trade continues to be good and shows an improvement over last year. Full capacity is being worked and unemployment is confined to the semi-skilled or unskilled grades of labour.

Sheffield.—All branches of the tool trade are well employed. Garden tools have had an exceptionally good season. Business in general engineering has shown a further improvement, and prospects are good.

Wolverhampton.—Demand has increased in the engineering industries and the building trade continues to show marked expansion. Suppliers of electrical plant and machinery continue to be fully employed. Structural engineers are well placed and foundries are working at considerable pressure. Some pressure has been felt in the cycle and motor-cycle trades in meeting seasonal demands. The motor trade is fairly steady. Suppliers of parts and accessories have good orders on hand, and factory extensions are in progress to cope with increased business.

Glasgow.—The shipyards at the Clyde continue to experience a lean time. There are now 56 vessels on the stocks, including 16 warships, which constitute approximately 25 per cent. of the Clyde's productive capacity. Two contracts have recently been booked by one yard for large vessels, one for a 12,000-ton motor tanker for the Anglo American Oil Company, and the other for a 10,800-ton motor ship for the Blue Star Line. The " scrap and build " plan continues to be the subject of criticism, and shipbuilding circles appear to feel that adjustments will be necessary before the plan will bring in much new work to the yards.

Metal and Hardware Trades

Birmingham.—There has been a slight falling-off in business in the brass and copper sections, but probably this is only seasonal. There has been a considerable drop in prices owing to the ending of N.R.A. in the United States and also because of the French political crisis, both of which have restricted forward buying. Prices, however, are still better than in April.

Sheffield.—Business in the cutlery and plate sections remains steady but quiet. Price-cutting in cheap knives, forks and spoons continues, and orders are being taken at such ridiculous prices that they cannot show any margin of profit. Prices of electro-plated and silver ware have increased owing to the rise in the price of raw silver.

Wolverhampton.—The hardware trades reflect the increased activity in building, and there is a steady demand for locks and security work generally. Export business shows some improvement. The demand for hollow-ware remains satisfactory for all sections.

Cotton

Liverpool.—To the uncertainty which has been hanging over the futures market has now been added the confusion caused by the ruling of the United States Supreme Court regarding the N.R.A. codes. The announcement of this decision caused a fall of 40 points, the only marked feature in the price movements of the period, and the gradual subsequent recovery has only made good one-half of this fall. Meanwhile, a large proportion of the surplus stock still remains in Government hands, rendering the market all the more susceptible to bad crop news. Divergence of opinion exists regarding the possibility and form of the new Emergency Legislation, which is likely to follow, and the likelihood of the continuation of the existing loan policy within its frame. The complications of the American political situation make it impossible to analyse the situation satisfactorily, and they have come to influence the market to an almost greater extent than the crop reports. These last are somewhat conflicting, and have added to the general obscurity. Prospects in the Eastern belt seem distinctly favourable, but the same cannot be said of the West and North-West. As may be expected, little activity has been shown and

speculative interest is absent. There has been no evidence of further sales from the Producers' Pool, but within general limits there has been a recurrence of strength in the nearer months, which includes the early autumn position, upon the ground of the probable lateness of the coming crop. The existing position is very artificial, and the present tightness is entirely due to political features. On the spot market a good demand has continued on broad lines, due to increasing anxiety on the part of spinners regarding their supplies. Stocks have been rapidly falling in this country and there is a comparative scarcity of desirable growths. Outsiders continue in good request, in particular Brazilian which, though quieter latterly, tends to harden. Manchester reports slow recovery after the Whitsun stoppage. Buyers are cautious and orders are for quick delivery. Activity is reported in yarns for the lace trade.

Wool

Bradford.—Raw material prices remain very firm owing mainly to the keen demand in Australia, where Germany has bought freely. Spinners are busy with home requirements, but the export section is quiet.

Leicester.—Trade is very quiet owing to unsold stocks. Prospects show no improvement.

Hawick.—Prices of wools are keeping very firm, helped to some extent by the extra demand from Germany and other foreign countries. The Border tweed trade continues quiet. Looms are only employed to something like 40 per cent. of capacity and the working week is from 30 to 35 hours. All the manufacturers are now returned from London but, save in the case of novelties, patterns for the spring of 1936 have so far met with a somewhat poor response. Most of the hosiery and underwear manufacturers are busy, and special lines in ladies' wear are in particular demand. Dyers and spinners are no better employed.

Other Textiles

Dundee.—Business in the jute market is disappointing, particularly in the raw jute section, where an easier tendency has developed. Spinners are difficult to interest and purchases

are confined to small quantities for current requirements. There is still considerable enquiry in the cloth section, but reluctance is shown in the actual placing of orders.

Dunfermline.—Manufacturers of linen goods have still a fair number of orders in hand, but business generally is rather disappointing at present. There have been occasional substantial purchases, but most of the orders are in small lots for immediate requirements. Nevertheless, prices are firmly maintained. Prices of flax and tow remain more or less unchanged, spinners being difficult to interest owing to the quietness of the yarn business. There is no improvement as regards wet spun yarns.

Clothing, Leather and Boots

Leeds.—Business has been very good.

Leicester.—There has been a continued improvement in the boot and shoe trade which has been helped by the Jubilee celebrations. The continued spell of wintry weather retarded the sale of light goods at the beginning of June. A more confident tone is apparent in leather tanning, and sufficient orders are being placed to keep the works running normally. Trade in hosiery is a little better, but is not yet satisfactory. Underwear also shows some improvement, but export trade is poor.

Northampton.—Business in the boot and shoe trade is considerably brighter. There was a shortage of female labour in June and there has been some talk of importing this class of labour from the distressed areas. The leather market is fairly active, mainly owing to the hardening tendency for all classes of leather. Boot and shoe manufacturers are taking no small interest in the tanners' application for an increase in the import duties on certain classes of upper leather.

Walsall.—Conditions in the fancy leather trade are improving after a seasonal lull.

Shipping

Hull.—C.i.f. business does not show much expansion. Tonnage, however, is not particularly plentiful, and rates, therefore, hold very steady.

Liverpool.—After moderate activity with tonnage in short supply, outward coal enquiry has been maintained and rates are steady. Homeward from the River Plate has shown firm rates for July, and full schedule rates in forward loadings for August and September. There is no new feature in Atlantic American, and demand for miscellaneous cargoes is limited. Easterns are easy for all loadings, while Australian is quietly steady at nominally unchanged rates.

Newcastle - upon - Tyne.—The improvement for the Mediterranean has been fully maintained on the basis of 7s. 9d. to 8s. for Genoa. Freights for the Baltic and Coast are steady.

Cardiff.—The freight market is firm and the recent improvement well maintained, especially for large tonnage, which is still in short supply. For the Coast and French Bay ports the market is quiet and on the easy side.

Newport.—Freights remain low. Subsidy payments are now beginning, but it is clear that further efforts must be made to fix minimum freights for the main outward markets if shipowners are to get any appreciable benefit. Pilotage receipts showed a further marked decline, but harbour dues showed an increase of £47 over last year. The number of vessels laid up in the dock has been reduced to one, and there is only one in the river.

Swansea.—The coasting market moves slowly, but as tonnage is offering sparingly, rates are being maintained. Very few orders quote for the Bay or Mediterranean. Tonnage for Canada is offering slowly and rates are firm at recent levels.

East of Scotland.—There was a large decrease in the amount of cargo coal shipped at the port of Leith during May as compared with the same month a year ago, and grain imports were also considerably less. Wood, cottonseed and linseed showed substantial declines, but imports of oilcake increased. At the middle of June there were only about fifteen vessels awaiting shipments at the Forth coaling ports—practically all at Methil and Leith.

Glasgow.—Coal tonnage is in quiet demand. F.o.b. orders are limited and tonnage is required chiefly for Baltic

destinations. The Mediterranean is firm but inactive, and there is little business in the Bay section or in the coasting trade. Shipments of coal at Scottish ports show a decline to date as against last year, largely owing to a decrease in trade in the Lothians.

Foodstuffs

Liverpool, grain.—The wheat market became firm in the middle of June, but has since fallen into apathy. At one time July wheat was quoted at a premium over October on the prospect of smaller supplies arriving here in the near future, but later on the continued good reports of the North American spring crops gave rise to liquidation. Plate shippers are holding firmly. The Argentine surplus for the current year is now estimated at about 8 million quarters, and recent weather reports have not been favourable. Australian wheat is being mainly absorbed by the Far East. Reports of the Chinese crop are disappointing, and the Far East will probably continue to take American wheat into next season. Canadian weather reports are favourable, but the crop is late. There have naturally been some sales of Manitoba wheat, but the Government is reported to be holding 255 million bushels. The United States Government's winter crop estimate is only 441 million bushels, which is below previous unofficial estimates, and this caused the market to strengthen. Spring crop reports, however, are favourable, and while exports are not likely to be resumed during the next year, the general position in North America continues to have a weakening influence. The condition of European crops is only moderate. Local stocks have now fallen to 303,000 quarters, and total stocks held in Great Britain are decreasing steadily. Maize remains steady and firm. Arrivals from the River Plate remain good, but they are quickly being absorbed, and local stocks are not increasing. There is no attempt to force sales in Europe as the demand in other parts of the world remains sufficiently strong to stabilise the price. The United States has lately been taking less interest, but the May shortage there is expected to become more acute, so imports from the River Plate will continue. The Eastern European crop situation appears favourable. Jugoslavia has made good sales to Italy, while Hungary will probably import more maize in the near future.

The market in home milled flour is a little better. Good deliveries are reported on recent forward sales, while prices remain unchanged.

Liverpool, provisions.—The market in Continental bacon has been firm on short supplies with demand fair, and American hams have been steady at about unchanged prices. Lard has proved firm with demand quiet. The demand for Empire butter continues extremely good with supplies advised as being considerably less than last year. For the ensuing few months dearer rates are anticipated, extremely hot weather in Australia having curtailed production. In the cheese market, a very poor demand for Empire descriptions has been experienced. Owing to the quantities of English milk put into manufacture, Cheshire and Cheddar types have ruled very cheap, thereby affecting the consumption of the Empire varieties. Canned meats have been a firm market with demand steady and fruits quiet without much change in values.

Fishing

Brixham.—Unsettled weather during May reduced landings by 25 per cent. compared with the previous month. Prices of prime fish were very low, and other kinds varied in price according to landings. Mackerel have not appeared in any quantity.

Lowestoft.—During May, in spite of the after-effects of the strike at Hull in the previous month, the total quantity of wet fish landed by British vessels in England and Wales amounted to 59,000 tons as compared with 57,000 tons in May, 1934. Values, however, showed a marked fall, the aggregate being £827,000 against £932,000, a decrease of 2s. 3d. per cwt. Towards the end of the month there were active preparations for the summer herring season in Scottish waters, where herrings were reported to be in better condition than for some years past.

Penzance.—Although fish was rather scarce during May owing to the unseasonable weather conditions, prices have been good. Earnings were consequently fair, catches realising from £96 down per week. The mackerel season is drawing to a close and the majority of the East Coast boats have left for their home ports. Mackerel prices were very cheap during May.

Scotland.—Demand for Scottish herring on Continental account has raised the hopes of the fishermen on the North and West coasts. Reports from Castlebay state that the summer herring fishing season, which commenced in May, shows a marked improvement as compared with last year, the figures available to the middle of June showing landings valued at £12,570 as compared with only £780 a year ago. The herrings are of excellent quality and are unusually well suited for kippering. Owing to heavy landings some of the Moray Firth ports had to be closed on one or more occasions and pooling arrangements have been instituted by the fishermen in certain cases to ensure that all shall get an average price for their catches. The line fishing round the Coast has been moderately good, and prices have been steady on the whole.

Other Industries

Carpet-making.—Kidderminster reports that employment at the carpet factories continues good on the whole. Axminsters are most in demand and orders for rugs are coming in freely. Wilton carpets are not so popular and there is still considerable short time amongst weavers. Exports to Australia and New Zealand keep about the same. Holland and Scandinavia are still placing orders, but other European countries are importing very few British carpets. Wool has been decidedly firmer, but jute, linen and cotton remain practically unchanged.

Paper-making and Printing.—Reports from Edinburgh papermakers indicate that after Jubilee requirements had been satisfied, the home trade was inclined to ease a little. Most of the mills are still working full time but some mills are only doing so with difficulty. There is little sign of any improvement yet in the export branch. On the printing side the book trade has been active. There has been a substantial demand on London account, and employment is quite good, some houses working overtime. Jobbing and commercial work, however, is experiencing the usual seasonal quietness.

Timber.—Hull reports that demand for goods ex stock remains satisfactory. Most of the goods arriving at the port have already been sold. Importers are beginning to feel that it is time to make fresh purchases, and several fairly large

transactions have been concluded. Now that inland buyers are realising that their stocks are dwindling rapidly there is a good deal of enquiry for prompt arrival goods, and trade generally is considered satisfactory.

Pitwood imports at Newport improved from 1,900 loads per week in April to 3,200 loads in May, but this is 460 loads less than the weekly average in May, 1934. Other timber arrivals have been small.

Overseas Reports

Australia

From the National Bank of Australasia Limited

Seasonal conditions are bad in the interior of Queensland and unsatisfactory in a large part of the interior of the other States. They are good in the coastal districts. Rain is needed, immediately in many wheat districts. Internal trade remains at above last year's level. Exports for April were 42 per cent. higher than those of the preceding April, and imports were 11 per cent. higher. The favourable balance for the ten months to April 30th last was £14 millions sterling.

Canada

From the Imperial Bank of Canada

The late spring has made agricultural prospects appear rather variable, but the wheat crop outlook in the Prairie Provinces is much improved, and if the present higher level of prices can be sustained, the whole Dominion will benefit. Wheat prices, however, have recently been uncertain, and as a result the wheat acreage has been reduced by about 10 per cent., while more land has been put under coarse grains and fodder crops. The heavy spring rains were particularly beneficial to the areas in Southern Saskatchewan and South-western Manitoba, which had suffered very severely from prolonged drought. Since the spring recovery business activity has been well maintained. The official economic index number is 6 per cent. higher than a year ago, while the average improvement for the year to date exceeds 11 per cent. Car-loadings remain satisfactory, but less wheat is being moved than had been expected, which suggests that the carry-over at the end of the season will also exceed anticipations. Commodity prices are steady. Building returns for the first five months of the year are 17 per cent. above those of last year, but are still far below those of the pre-depression years. Employment is better than it has been since 1931, but the financing of unemployment relief is still a serious problem in the larger cities.

India

Bombay.—The raw cotton market was unsettled by the American N.R.A. judgment, but the decline in prices was more

orderly than in the United States. Lack of supplies helped to check the fall in prices. Demand from local spinners was poor, owing to the absence of any improvement in sales of piece-goods. The selling season for cloth has nearly ended. Only small sales were made during April and May, and they left behind a feeling of discouragement in the market. The outlook for prices is thought to be dubious. Trade in British goods has been very restricted and there are few forward bookings. Japanese goods have sold fairly well, but heavy arrivals have weakened prices. Trade in local goods has been of very moderate dimensions.

Calcutta.—Jute prices rose appreciably during May. There was a good export demand for baled jute, and there was a considerable volume of business in both loose and baled jute.

Rangoon.—Export demand for rice is limited, and the usual premium on forward prices has almost disappeared. The price of paddy is a little easier, but supplies are coming forward very slowly, and holders are apparently unwilling to release their stocks for some months to come. In consequence of the relative firmness of paddy some rice millers are buying back from the market stocks previously sold and are refraining from making fresh sales. European enquiries for timber have fallen away after their April improvements. Business with India is limited, but the tone of the market remains good. Auction prices of round logs have risen owing to a diminution in offerings. The hardware season has ended with the arrival of the monsoon. The season has proved disappointing. Stocks of goods, though not heavy, are thought to be sufficient.

Irish Free State

Normal work on the land was well advanced at the beginning of June. Meadows were backward, and man pastures carried a poor covering of grass. Winter wheat had made good progress, but spring-sown wheat, together with oats and barley, had been retarded by the lack of moisture noticeable at that date. The relatively small area under catch-crops had yielded well, but supplies were consumed before the end of May. Ample stocks of last year's potatoes remained on most farms at the end of May. Demand mostly came from the home market. Livestock were in good health

and fair condition. Sales of cattle were retarded by the scarcity of export licences, and business in sheep and lambs was slow. Trade in pigs was good with keen demand and rising prices.

France

From Lloyds & National Provincial Foreign Bank Limited

Since our last report, the outstanding event in France has been the fall of two Ministries, those of M. Flandin and M. Bouisson, who were both defeated on the question of special powers to deal with the financial situation. M. Laval then formed a government which met with the approval of the Chamber of Deputies. M. Laval, who in addition to the office of Prime Minister, holds the portfolio for Foreign Affairs, has obtained the agreement of his colleagues to certain financial reforms. The only definite news as to the exact scope of these reforms indicates that a severe examination will be made of all cases where persons have been granted pensions, etc., to which they have little, if any, right. It is also hoped to effect considerable economies by the rationalisation of the road and rail services now in existence.

The figures covering foreign trade are given below :—

First five months of ...	1934 Frs. mill.	1935 Frs. mill.	Difference Frs. mill.
IMPORTS—			
Foodstuffs	3,202	2,613	– 589
Raw Materials	5,469	4,761	– 708
Manufactured Articles ...	1,976	1,554	– 422
	10,647	8,928	–1,719
EXPORTS—			
Foodstuffs	1,035	1,049	+ 14
Raw Materials	2,166	1,841	– 325
Manufactured Articles ...	4,165	3,831	– 334
	7,366	6,721	– 645

The adverse visible trade balance amounts to only Frs.2,207 millions, as compared with Frs.3,281 millions for the corresponding period last year. The latest available figures concerning unemployment show that there are 418,471 officially registered unemployed. There is an increase of 102,865 as compared with a year ago, but there has been a decline of 23,190 during the previous month. The Stock Exchange

during the last few weeks has been under the influence of the internal political situation. The possibility of a crisis brought numerous speculators into the field. The principal dealings were in raw material shares. Shell Transport rose to 280, approaching the highest price of the year, while Roan Antelope and Tharsis were the most interesting among the coppers. The Rivaud group led the rubber market, which would appear to be a trifle overcharged. Mining shares, on the contrary, received little attention.

Bordeaux.—The wine trade is quiet. There has been little business in fine wines. The resin market is healthy. Stocks are low, and the first part of the new crop has been quickly absorbed. Prices are firm.

Le Havre.—The spot cotton market has been quiet. Demand from the mills is poor. Local dealers are facing as calmly as they can the prospect of a world carry-over at the end of July of 7,000,000 bales of American cotton, 80 per cent. of which is held by the American authorities. Stocks in Le Havre are only half their size of a year ago. The futures market has been very active, for late in June the uncertain outlook for the franc gave rise to heavy speculation. Daily turnover in May averaged 16,000 bales, against a normal daily turnover of 3,000 bales. On May 27th the turnover was 32,500 bales.

Home demand for coffee was maintained into June by the continuance of bad weather. Prices at times fluctuated wildly, but their general tendency was firm. There was a fair amount of speculation in future positions.

Considerable satisfaction was felt at the successful maiden voyage of the s.s. *Normandie*, which established a new record. The new Havre Maritime Station and the new deep-water quays of The Cie Industrielle Maritime and Cie Générale Transatlantique have now been opened, and the port is now well equipped to deal with a larger volume of trade, so soon as it materialises.

Lille.—Imports of raw cotton for the first four months of 1935 were only 16,380 tons, against 26,090 tons for the same period in 1934. While this contraction indicates a falling-off in general business, an increased demand for spun yarns is reported with sales in excess of current production. Unfortunately the current rate of output is still 60 to 65 per cent. below normal. The flax market is quiet. The price of

Russian flax is unchanged, but prices of French and Belgian flax have hardened, because the crops have recently suffered considerable damage from bad weather. All spinners are selling their yarn at a loss, except those spinners who bought their raw material at the beginning of the season.

Marseilles.—The decree doubling the duties on foreign nuts was published on May 28th. Demand for Coromandel nuts has been confined to nuts shipped before that date, as these are not affected by the new tariff. Prices of French nuts are hardening and business is active. Demand from the soap-works for copra has been limited, but prices have been maintained by the shortage of supplies. Business in olive oil has been quiet. Stocks in producing countries are stated to be below normal, and prices are appreciably higher.

Roubaix.—Trade in tops and noils is quiet. Both prices and business have been governed to some extent by fluctuations in the franc, and prices weakened when the franc improved in the middle of June. Consumption of tops remains below normal, and combers are working at 50 to 60 per cent. of capacity. Spinners find that demand for manufacturing yarns is a little better than a year ago, but sales of knitting wool have declined as the season has come to an end. Weavers have noticed a slight improvement in business, but this was arrested in the middle of June. Stocks of tops have fallen from kilos 16·6 to kilos 12·8 millions during the past year, while employment is slightly better than a month ago.

Belgium

From Lloyds & National Provincial Foreign Bank Limited

Brussels.—The successful termination of the negotiations between English manufacturers and the International Steel Cartel is commented upon favourably, but it is pointed out that the heavy reduction of imports into England entailed by the terms of the agreement will involve Continental producers in serious sacrifices. The internal arrangements of the International Steel Cartel have lately been re-organised, with the object of centralising orders and lessening the scope for abuse of the scheme. Since the devaluation of the belga, home demand for steel has improved slightly. The Government is understood to be preparing an extensive programme of public

works, and its adoption should further benefit the industry. Export trade remains disappointing, especially as producers are not permitted to take advantage of the devaluation of the belga.

The coal trade is a little better. There is some forward buying of house coal in anticipation of the next price increase, due in August. Shipments to France are becoming more regular, but export trade is below normal and stocks are heavy.

There is a moderate seasonal demand for building materials, and a substantial improvement should follow the adoption of the public works programme. Demand for cement is better.

Antwerp.—The grain trade is quiet owing to favourable crop prospects in North America and the lack of Continental support. Stocks are lighter than they were, but are still sufficient. There is a good demand for palm oil. The wool futures market was affected by the uncertainties regarding the French franc, and there was a severe set-back in prices. Still, the undertone remains healthy. The activity on the Stock Exchange which followed the devaluation of the belga has now decreased, but the market remains firm.

Germany

Industrial production in Germany has resumed its upward movement after a period of slackness during the winter months. The index of production calculated by the Institut für konjunkturforschung rose steeply in March and April and this improvement appears to have been maintained in May, for during that month the unemployment figures as officially reported declined from 2,233,300 to 2,019,900. Car-loadings rose from 123,000 per day in the first week of May to 131,700 per day in the last week of the month. Owing to a sharp reduction in imports there was an export surplus of Rm.4 millions in May, whereas in April there was an import surplus of Rm.19 millions. Home and foreign orders for machinery have tended to increase. Both wholesale prices and the value of industrial securities have shown a rising trend during recent weeks.

Holland

The Government's efforts to provide for a saving of Fl.77 millions on the budget have aroused some criticism, but it is expected that sufficient Parliamentary support will be forthcoming. The Government's determination not to devalue the guilder is also generally supported, and there is no indication

that any of the political parties are in favour of devaluation. The recent resignation of the Minister for Economic Affairs was not because he was opposed in any way to the Government's retrenchment schemes, but because he thought that further measures should be taken to restore prosperity. The French crisis had some reaction in Amsterdam. Money became tighter, and at the beginning of June the Netherlands Bank raised its rate from 4 to 5 per cent. The rate has since been reduced to 4 per cent. The devaluation of the belga has made it necessary to reduce Dutch pilotage dues. In order to assist shipping advances of a total amount of Fl.8·2 millions are to be made free of interest.

The clearing agreement with Germany continues to work badly. Arrears arising under the agreement now amount to Fl.31 millions, and if the amount outstanding when the agreement was made is included, as much as Fl.70 millions are now immobilised in Germany. These difficulties are impeding greatly the exportation of Dutch market garden produce to Germany. Some modification in the agreement has now been made. Holland has been obliged once more to make concessions regarding interest payments, but has obtained some slight concession in respect of tourist traffic.

Reports from Dutch industries are a little more encouraging and unemployment is now only 350,000, against 432,000 at the beginning of the year. This total includes about 50,000 people now employed on national and municipal emergency schemes. Raw material imports indicate slightly greater activity, but mainly in the consumption industries. News from rubber and tobacco companies in the Dutch East Indies is a little more hopeful, but the results of sugar production remain disappointing.

Norway

The foreign trade returns for May show that both imports and exports have increased in comparison with those of a year ago. The returns are summarised below. All figures represent millions of kroner :—

	May, 1934	April, 1935	May, 1935	First five months of 1934	First five months of 1935
Imports	66·4	64·8	75·3	311·9	316·6
Exports	42·8	38·9	46·7	233·3	234·9
Import Surplus ...	23·6	25·9	28·6	78·6	81·7

Wholesale prices remained unchanged during the month ended May 15th at an index number of 125, while the cost of living index number rose from 149 to 150. During the subsequent months the wholesale price index number rose to 126. Unemployment on May 15th amounted to 34,865, against 41,432 a month before and 34,175 a year before.

The Cabinet has approved legislation imposing further restrictions upon whaling, and it is hoped that Great Britain will co-operate. It is expected that next season's catch will be fixed at a little below 2,000,000 barrels, against 2,500,000 barrels last year, and it is also expected that the season will be reduced to 3 or 3½ months, compared with 4 months last year. The area in which whaling is prohibited may also be extended from 50° south to 40° south.

A Norwegian Government loan of Kr.20 millions has been successfully placed in Sweden. The loan carries interest at 3½ per cent. and was offered at a price of 97 per cent.

Sweden

Production for the home market is being well maintained, but there is some uncertainty in the export industries. Prices of export goods have fallen, while those of imports are very firm. Still, the recent heavy fall in timber prices has now come to an end, and sales have recently been active. All foreign consumers have been buying, with the exception of Holland. Business with Germany and Spain has been made difficult by quotas and exchange restrictions. England has shown some interest in the lower qualities. Sales for the season up to the middle of June amounted to about 475,000 standards.

Business in chemical pulp has been normal, but 1936 prices for sulphite have weakened in spite of the 25 per cent. reduction in output. Sulphate is firmer, and large deals have been made for 1936. The new trade agreement with the United States should help exporters. Business in mechanical pulp has been depressed, but a new agreement between Scandinavian exporters has been made to regulate production next year. The paper trade has been affected slightly by the monetary difficulties of the gold *bloc* countries. Little activity is expected in the newsprint industries until orders for 1936 delivery begin to come forward. Trade in Kraft paper fell off during May, but has since improved. More orders for

sulphite paper are being booked, and the mills are requiring more time for delivery.

The iron trade remains satisfactory, but there is a slight decline in the volume of orders. There was also a small decrease in exports of iron ore.

Denmark

During April there was an import surplus of Kr.1·4 millions, which raises the import surplus for the first four months of 1935 to Kr.36·1 millions, compared with Kr.25·5 millions last year. The foreign exchange position of the National Bank still shows no sign of improvement, and at the end of May was adverse to the extent of Kr.110 millions. During the month ended June 14th, unemployment fell from 64,153 to 53,008. The latter figure is 6,858 below the corresponding figure for last year. The Danish shipyards now have over 140,000 tons of new tonnage under construction or on order, and will be fully occupied for a considerable time. Railway receipts for the year ended March 31st amounted to Kr.106·2 millions, and expenditure totalled Kr.113·1 millions. This result is slightly better than that of the preceding year. Receipts for last April came to Kr.9·0 millions, and expenditure to Kr.8·7 millions. During the past month prices of agricultural produce have improved. Butter has risen from Kr.140 to Kr.164 per 100 kilos, eggs from Kr.64 to Kr.76 per 100 kilos, and bacon from Kr.168 to Kr.174 per 100 kilos. A year ago butter was quoted at Kr.134, eggs at Kr.72 and bacon at Kr.160. Current prices are regarded as fairly satisfactory. A new agreement has been reached with Germany, which allows German tourists to bring with them the equivalent of Rm.500 for use in Denmark within one month. In return Denmark has consented to increase her purchases of certain German goods.

Switzerland

From Lloyds & National Provincial Foreign Bank Limited

During the last part of May and early June the pressure on the Swiss franc has tended to diminish, but gold continued to leave the country. In the middle of June, however, there was a reversal of sentiment, and the Swiss-French exchange rate moved to near the gold import point. The National Bank's

ratio of gold to sight liabilities then stood at 77·35 per cent. The premium on three months' forward sterling remained at around the equivalent of 15 per cent. per annum.

Spain

Trade returns to the end of April show exports of Ptas.209 millions, and imports of Ptas.277 millions as compared with Ptas.210 millions and Ptas.288 millions respectively for the same period in 1934. The returns are quoted in gold pesetas. The difficulties of the Spanish Control Board in the supply of foreign exchange have been considerably lightened by an influx of foreign capital and to encourage this movement the Government has issued a Decree declaring that all capital entering Spain from abroad for investment, as well as revenue arising therefrom, may be exported without restriction upon presentation to the Control Board of the requisite evidence of entry. This step merely gives official sanction to what has for some time been the *de facto* position.

At the end of April the number of unemployed had reached a new record of 732,034 and a comprehensive bill to relieve unemployment has been presented to the Cortes. The statement of budget policy of the new Finance Minister was welcomed in all quarters not only for the decision to impose no new taxation, but also for the declared intention of moving towards a balanced budget by 1937. Revenue is reported to show a satisfactory increase.

Exports to Roumania rose sharply in 1934 and if the negotiations in progress for the supply of petrol to Spain are successful a further expansion of trade with that country may be anticipated.

Morocco

From the Bank of British West Africa Limited

Business conditions have been affected by franc uncertainties. The State Bank of Morocco, following the lead of the Banque de France, increased its rate of discount on May 27th from 3½ to 4½ per cent., and again on May 29th to 6½ per cent. On the Paris Bourse, Moroccan shares have been more active with advancing prices. Export business is brisker, barley yielding better crops than had been expected.

Maize is promising, but almonds this year are not expected to yield more than 75 per cent. of last year's crop. During the first quarter of this year 224,000 tons of merchandise were imported, valued at Frs.317·6 millions. Exports totalled 492,000 tons, valued at Frs.146.1 millions. The competition of Japanese goods in Morocco continues to be formidable. Import revenue in the same period fell to Frs.28·6 millions as against Frs.31·8 millions in 1934. The State Bank of Morocco showed a profit for 1934 of Frs.19,265,000, maintaining its dividend at Frs.100.

The United States

Interest continues to be taken in the possible results of the Supreme Court's judgment declaring unconstitutional practically all the important provisions of the National Industrial Recovery Act. There have since been some reports of price-cutting and wage reductions, but the steel industry and other important organisations have urged that the provisions of the late codes should be voluntarily maintained as far as possible. There is a belief that unless Congress passes further drastic legislation during the remainder of the present session, the dull summer season will be followed by a spontaneous revival in business. Meanwhile, the President has issued a warning that the failure of the codes means that the anti-trust laws are now once more of full effect. So far trade has been well maintained, particularly at the end of May when the weather was favourable. During early June the weather became cold and damp and demand for consumption goods deteriorated.

In the sugar market there have been rumours that the Cuban Government intends to place a temporary embargo upon exports in order to support the United States market. It is also rumoured that the embargo will be followed by the institution of minimum selling prices for Cuban exporters. In New York there has been a rally in raw sugar after its previous weakness, the price having risen during the past month from $3.25 to $3.35 per 100 lbs. Dealings in crude rubber have been active. Offerings have been light and prices firm.

"Blue Eagle" copper prices are unchanged. So far the industry has continued the old code agreements, but a meeting is to be called soon to formulate a new scheme of voluntary

control. Tin prices have been influenced by exchange fluctuations and lead prices have been irregular. There has recently been a strike in the zinc mines which has lasted several weeks. Excess stocks have in consequence been appreciably reduced.

There was a slight decline in steel production during May, and mills only worked at 43·5 per cent. of capacity, against 45·3 per cent. in April. Output of pig-iron increased from 1,663,000 to 1,727,000 tons. The N.R.A. code provisions regarding hours and wages will probably be continued, but makers will probably resume their former practice of quoting "shaded" prices in the case of large orders.

Cotton exports for the current season to date amounted to 4,339,000 bales, of which 1,485,000 bales went to Japan. Raw cotton prices have been irregular since the N.R.A. judgment. Private estimates for the coming crop range from 10·5 to 12·3 million bales, on estimated acreage ranging from 29·1 to 30·5 million acres. The constitutionality of the Agricultural Adjustment Act is now open to doubt, and so the outlook for planters is very obscure. The cotton manufacturing industry has also been seriously unsettled by the N.R.A. judgment, and in some cases mill working hours have been increased in an effort to reduce costs. Some sections of the industry have a serious excess production capacity, and the invalidation of the code may have serious results in the way of stimulating suicidal competition.

Japan

The May trade returns reveal an increase in exports over both the previous month and the previous year. The returns, in millions of yen, are reproduced below :—

	May, 1934	April, 1935	May, 1935
Imports	218	217	220
Exports	190	205	214
Import Surplus ...	28	12	6

The increase in exports is partly seasonal, but there was also an improvement in export trade with China. Home industrial conditions show little change. There is a further curtailment of production in the cotton spinning industry,

while in the rayon industry the curtailment of production from July to September is fixed at 20 per cent. In the steel and cement industries the tendency is either to maintain the existing rate of restriction of output or to increase it. Wholesale prices, which had been declining since February, rose between April and May from 182·3 to 182·4. Share and commodity markets, however, have been depressed slightly by the American N.R.A. judgment and by recent gold *bloc* uncertainties. Exports of silver have increased as the result of the rise in the world price. For the first four months of 1935 they amounted to Yen 26·4 millions, or to sixteen times the exports during the first four months of last year.

Statistics

BANK OF ENGLAND

Issue Department

	Note Circulation.	Govt. Debt.	Other Govt. Securities.	Other Securities.	Silver Coin.	Fiduciary Issue.	Gold.
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
End March, 1929	361·8	11·0	235·2	9·0	4·8	260·0	153·3
„ „ 1930	352·3	11·0	233·0	11·5	4·5	260·0	155·1
„ „ 1931	357·1	11·0	232·0	12·9	4·0	260·0	144·5
„ „ 1932	360·5	11·0	240·9	19·3	3·8	275·0	120·8
„ „ 1933	367·1	11·0	249·9	10·5	3·6	275·0	171·8
„ „ 1934	378·8	11·0	245·4	0·1	3·5	260·0	191·1
„ „ 1935	381·4	11·0	246·7	0·2	2·1	260·0	192·5
June 19, 1935	395·7	11·0	246·9	0·3	1·8	260·0	192·7
June 26, 1935	396·9	11·0	246·9	0·3	1·8	260·0	192·7

Banking Department

	Public Deposits.	Bankers' Deposits.	Other Deposits.	Govt. Securities.	Discounts and Advances.	Other Securities.	Reserve.	Proportion.
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	%
End March, 1929	19·7	58·2	36·4	50·6	13·0	17·1	51·9	45·4
„ „ 1930	18·8	54·9	35·9	44·8	6·1	13·3	63·7	58·1
„ „ 1931	17·2	58·8	34·7	30·3	24·6	25·7	48·3	43·6
„ „ 1932	27·2	54·6	34·4	35·7	11·7	51·1	35·9	30·9
„ „ 1933	21·2	92·8	35·0	57·7	11·8	17·2	80·6	54·0
„ „ 1934	17·5	94·5	36·9	77·1	5·6	11·0	73·4	49·2
„ „ 1935	20·1	96·6	41·2	87·6	5·6	11·4	71·7	45·3
June 19, 1935	13·6	104·0	37·0	94·9	5·8	14·1	57·7	37·3
June 26, 1935	16·2	102·4	38·7	98·2	10·2	12·4	56·5	35·8

LONDON CLEARING BANKS (monthly averages)

	Deposits.	Acceptances, Guarantees, etc.	Cash.	Balances and Cheques.	Call Money.	Bills.	Investments.	Advances.[1]
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
March, 1925	1,643·5	113·9	190·2	51·1	111·7	205·1	299·4	857·1
„ 1929	1,776·6	222·1	187·8	52·7	136·1	216·6	258·9	995·9
„ 1930	1,719·3	159·3	184·4	51·3	134·7	183·6	240·4	990·8
„ 1931	1,763·9	121·5	184·0	43·5	114·1	240·4	311·1	936·1
„ 1932	1,676·4	98·7	174·0	43·4	112·5	216·8	281·9	902·1
„ 1933	1,925·2	95·8	207·0	40·1	108·7	348·1	510·2	766·2
„ 1934	1,830·6	112·8	218·9	43·5	120·4	202·1	547·1	753·0
„ 1935	1,923·3	117·7	214·0	43·6	133·4	207·0	614·4	766·8
April, 1935	1,940·4	120·5	217·2	49·6	137·3	199·4	617·8	774·7
May, 1935	1,961·5	113·9	218·7	49·3	142·0	217·6	619·9	770·4

LONDON BANKERS' CLEARING HOUSE RETURNS

	Town Clearing.	Metropolitan Clearing.	Country Clearing.	Total.
	£ mn.	£ mn.	£ mn.	£ mn.
1925	35,801	1,678	2,958	40,437
1929	39,936	1,882	3,079	44,897
1930	38,782	1,812	2,964	43,558
1931	31,816	1,668	2,752	36,236
1932	27,834	1,610	2,668	32,112
1933	27,715	1,657	2,766	32,138
1934	30,740	1,760	2,984	35,484
1934 to June 25	15,243	857	1,454	17,554
1935 to June 26	15,941	915	1,546	18,402
1934 June (4 weeks) ...	2,058	127	216	2,401
1935 June (4 weeks) ...	2,585	140	243	2,968

BANKERS' PROVINCIAL CLEARING RETURNS

	Mar., 1925.	Mar., 1929.	Mar., 1932.	Mar., 1933.	Mar., 1934.	Mar., 1935.	April, 1935.	May, 1935.
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
Birmingham	11·3	11·9	9·0	9·7	11·3	9·6	8·4	9·9
Bradford	—	5·9	3·4	3·3	4·2	3·8	3·8	3·5
Bristol	5·1	5·3	4·9	5·0	5·4	4·9	4·6	5·6
Hull	4·8	4·0	3·0	3·2	3·2	3·2	3·1	3·1
Leeds...	4·5	4·4	3·8	3·8	4·4	4·3	3·1	3·5
Leicester	3·6	3·6	3·1	3·1	3·3	2·8	2·4	2·7
Liverpool	42·5	34·2	25·6	25·6	26·8	25·8	21·4	22·9
Manchester	77·4	58·0	42·5	42·1	46·1	42·8	41·2	40·8
Newcastle-on-Tyne ...	7·8	6·5	5·7	6·5	6·9	5·5	4·6	5·6
Nottingham	2·3	2·8	1·9	1·9	2·0	2·0	1·9	2·0
Sheffield	5·0	4·6	3·3	3·5	3·6	3·4	3·2	3·4
	164·3	141·2	106·2	107·7	117·2	108·1	97·7	103·0

LONDON AND NEW YORK MONEY RATES

		London.					New York.		
		Bank Rate.	Treasury Bills.		3 Months' Bank Bills.	Short Loans.	F.R.B. Re-discount Rate.	Call Money.	Accept-ances.
			Tender Rate.	Market Rate.					
		Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
End March,	1925	5	4 11/16	—	4 1/2–4 7/16	3 1/2–4 1/2	3 1/2	3 1/2	3 1/2
" "	1929	5 1/2	5 1/16	5 1/16	5 1/16–5 1/16	4 1/2–4 1/2	5	15	5 1/2
" "	1930	3 1/2	2 1/16	2 1/16	2 1/16–2 1/16	2 1/2–2 1/2	3 1/2	3 1/2	2 1/2
" "	1931	3	2 1/16	2 1/16–2 1/16	2 1/16–2 1/16	2–2 1/2	2	1 1/2	1 1/2
" "	1932	3 1/2	2 1/16	1 1/2	2 1/2–2 1/2	2–3	3	2 1/2	2 1/2
" "	1933	2	1/2	1/16–1/2	1/2	1–1	3 1/2	3	2 1/2
" "	1934	2	1/2	1/2	1/2	1–1	1 1/2	1	1/2
" "	1935	2	1/2	1–1 1/16	1/16–1/2	1–1	1 1/2	1	1/16
May 22nd,	1935	2	1/2	1–1 1/16	1–1/16	1–1	1 1/2	1/2	1/16
June 26th,	1935	2	1/2	1/2	1/2–1/2	1–1	1 1/2	1/2	1/16

FOREIGN EXCHANGES

London on	Parity (prior to Sept. 21, 1931.)	1933.	1934.	1935.			
		June 28.	June 27.	June 5.	June 12.	June 19.	June 26.
New York—							
(*a*) Spot ...	$4·866	4·38	5·04 1/2	4·95 1/2	4·93 7/8	4·93 1/2	4·93 7/8
(*b*) 3 Months	—	2 1/2c. dis.	1/16c. dis.	2 1/2c. pm.	2c. pm.	1 1/2c. pm.	1 1/2c. pm.
Montreal ...	$4·866	4·76	4·98 1/2	4·94 1/2	4·94 1/2	4·93 1/2	4·94 1/2
Paris—							
(*a*) Spot ...	Fr. 124·21	86 7/16	76 1/2	75 1/16	74 1/2	74 1/2	74 1/2
(*b*) 3 Months	—	15c. dis.	7c. dis.	Fr.3 1/2 dis.	Fr.2 1/2 dis.	Fr.2 1/2 dis.	Fr.2 dis.
Berlin—							
(*a*) Official ...	Mk. 20·43	14·30 1/2	12·80 1/2	12·20	12·22	12·25 1/2	12·22 1/2
(*b*) Registered Marks	—	—	30 1/2% dis.	43 1/2% dis.	44 1/2% dis.	46% dis.	47% dis.
Amsterdam ...	Fl. 12·11	8·45	7·42 1/2	7·32 1/2	7·29 1/2	7·26 1/2	7·24
Brussels ...	Bel. 35	24·24	21·57 1/2	29·13	29·14	29·16	29·22
Milan	Li. 92·46	64 1/2	58 1/2	59 1/2	59 1/2	59 1/2	59 1/2
Zurich... ...	Fr. 25·22 1/2	17·55	15·50 1/2	15·18 1/2	15·11	15·10	15·06
Stockholm ...	Kr. 18·16	19·43	19·40	19·39 1/2	19·39 1/2	19·39 1/2	19·39 1/2
Madrid ...	Ptas. 25·22 1/2	40 1/2	36 7/8	36 1/16	36 1/2	36 1/16	35 1/2
Vienna ...	Sch. 34·58 1/2	31 1/2*	27*	26 1/2	26	26 1/2	26 1/2
Prague... ...	Kr. 164 1/2‡	114	121 1/16	118 1/16	118 1/2	118 1/2	117 1/2
Buenos Aires ...	47·62d.	41 1/2†	36 1/2†	15 7/16§	15 1/2§	15 1/2§	15 1/2§
Rio de Janeiro	5·89d.	4 1/2†	4 1/2†	4 1/2†	4 1/2†	4 1/2†	4 1/2†
Valparaiso ...	Pes. 40	55·50†	49·45†	118‖*	118‖*	118‖*	118‖*
Bombay ...	18d.	18 1/16d.	18 1/16d.	18 1/2d.	18 1/2d.	18 1/2d.	18 1/2d.
Hong Kong ...	—d.	16 1/2d.	17 1/2d.	29d.	28 1/2d.	28 1/2d.	27 1/2d.
Kobe	24·57d.	1/3 1/16	1/2 1/2	1/2 1/2	1/2 1/2	1/2 1/16	1/2 1/2
Shanghai ...	—d.	15 1/2d.	16 1/2d.	20d.	19 1/2d.	19 1/2d.	19 1/2d.
Gold price ...	per oz.	122s. 4d.	138s. 1 1/2d.	141s. 2 1/2d.	140s. 9d.	140s.11 1/2d.	141s. 2d.
Silver price ...	per oz.	18 1/16d.	20 1/16d.	33 1/16d.	32 1/16d.	32 1/16d.	31d.

* Nominal. † Official Rate. ‡ Kr.197·10, since devaluation of Kroner on February 17th, 1934.
§ Prior to January 14th, 1935, rates represent pence per gold peso, henceforward paper pesos to the £.
‖ Revalued on January 1st, 1935; export rate.

PUBLIC REVENUE AND EXPENDITURE

	1931–32.	1932–33.	1933–34.	1934–35.	1934–35 to June 30.	1935–36 to June 29.
REVENUE—	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
Income Tax	287·4	251·5	228·9	228·9	14·7	14·9
Sur-Tax	76·7	60·7	52·6	51·2	5·5	4·1
Estate Duties	65·0	77·1	85·3	81·3	22·6	23·5
Stamps	17·1	19·2	22·7	24·1	3·9	3·3
Customs	136·2	167·2	179·2	185·1	46·3	47·6
Excise	119·9	120·9	107·0	104·6	24·4	26·1
Motor Vehicle Duties (Exchequer Share)... ...	5·0	5·0	5·2	5·1	1·0	0·7
Other Tax Revenue	3·2	3·1	2·6	3·1	0·1	0·1
Total Tax Revenue	710·5	704·7	683·5	683·4	118·5	120·3
Post Office	11·5	10·9	13·1	12·3	4·9	4·2
Crown Lands	1·3	1·2	1·2	1·3	0·3	0·2
Receipts from Sundry Loans	13·8	5·1	4·7	4·4	0·5	0·3
Miscellaneous Receipts ...	33·9*	22·9	22·1	15·1	3·9	4·4
Total Non-tax Revenue ...	60·5	40·1	41·1	33·1	9·6	9·1
Total Ordinary Revenue ...	771·0	744·8	724·6	716·5	128·1	129·4
Post Office	58·0	59·3	59·3	61·8	12·8	13·8
Road Fund	22·5	22·9	25·5	26·4	4·1	3·6
Total Self-balancing Revenue...	80·5	82·2	84·8	88·2	16·9	17·4
EXPENDITURE—						
National Debt Interest ...	289·5	262·3	212·9	211·6	75·4	74·4
Payments to N. Ireland ...	6·3	7·0	6·6	6·8	1·3	1·2
Other Cons. Fund Services...	3·1	3·3	4·1	3·6	0·8	0·9
Post Office Fund	—	—	—	2·3	—	—
Supply Services	439·2	458·3	458·8	472·2	100·4	109·1
Total Ordinary Expenditure ...	738·1	730·9	682·4	696·5	177·9	185·6
Sinking Fund...	32·5	17·2	7·7	12·3	0·9	1·4
Payments to U.S. Govt. ...	†	29·0	3·3	—	—	—
Self-balancing Expenditure (As per contra)	80·5	82·2	84·8	88·2	16·9	17·4

* Includes Appropriation from Rating Relief Suspense Account.

† Included under National Debt Interest.

PRODUCTION

	Coal.	Pig-Iron.	Steel.
	Tons mill.	Tons thous.	Tons thous.
Total 1913	287·4	10,260	7,664
„ 1925	243·2	6,262	7,385
„ 1929	257·9	7,589	9,636
„ 1930	243·9	6,192	7,326
„ 1931	219·5	3,773	5,203
„ 1932	208·7	3,574	5,261
„ 1933	207·1	4,136	7,024
„ 1934	221·0	5,979	8,860
Total to May, 1934	95·5	2,383	3,750
Total to May, 1935	95·0	2,644	4,031

BOARD OF TRADE PRODUCTION INDEX NUMBER
(1930 = 100)

	1934.					1935.
	Year.	1st Qr.	2nd Qr.	3rd Qr.	4th Qr.	1st Qr.
Mines and Quarries	90·6	97·5	86·2	84·2	94·5	95·1
Iron and Steel	115·7	118·1	117·6	110·6	116·4	121·9
Non-Ferrous Metals	122·7	104·5	113·2	127·5	145·4	142·2
Engineering and Shipbuilding ...	94·0	88·7	92·3	92·5	102·3	105·9
Building Materials and Building ...	130·2	119·5	129·6	137·4	133·9	132·8
Textiles...	113·1	118·1	111·0	106·8	116·5	118·8
Chemicals, Oils, etc.	105·4	107·2	105·3	103·2	105·9	110·2
Leather and Boots and Shoes ...	104·5	109·7	104·9	96·2	107·1	116·5
Food, Drink and Tobacco	101·8	96·4	102·5	101·3	107·2	98·2
Total*	105·8	105·5	104·3	102·9	111·7	112·8

* Includes paper and printing, gas and electricity, rubber, cement and tiles.

UNEMPLOYMENT

(a) Percentage of Insured Workers

Date.	1928.	1929.	1930.	1931.	1932.	1933.	1934.	1935.
End of—								
January	10·7	12·3	12·4	21·5	22·4	23·1	18·6	17·7
February	10·4	12·1	12·9	21·7	22·0	22·8	18·1	17·5
March	9·5	10·0	13·7	21·5	20·8	21·9	17·2	16·5
April	9·5	9·8	14·2	20·9	21·4	21·3	16·6	15·7
May	9·8	9·7	15·0	20·8	22·1	20·4	16·2	15·6
June	10·7	9·6	15·4	21·2	22·2	19·4	16·4	
July	11·6	9·7	16·7	22·0	22·8	19·5	16·7	
August	11·6	9·9	17·1	22·0	23·0	19·1	16·5	
September	11·4	10·0	17·6	22·6	22·8	18·4	16·1	
October	11·8	10·3	18·7	21·9	21·9	18·1	16·4	
November	12·2	10·9	19·1	21·4	22·2	17·9	16·4	
December	11·2	11·0	20·2	20·9	21·7	17·5	16·1	

(b) Actual Numbers Unemployed (in thousands)

	Mar., 1929.	Mar., 1932.	Mar., 1933.	Mar., 1934.	May, 1934.	Mar., 1935.	April, 1935.	May, 1935.
Number of Insured Persons unemployed—								
Wholly unemployed	920	2,129	2,205	1,814	1,659	1,727	1,655	1,614
Temporarily stopped	200	427	511	317	345	324	285	320
Normally in casual employment ...	84	104	105	94	93	92	90	90
Total	1,204	2,660	2,821	2,225	2,097	2,143	2,030	2,024

RAILWAY TRAFFIC RECEIPTS

	Four weeks ended				Aggregate for 25 Weeks			
	June 24, 1934.		June 23, 1935.		1934.		1935.	
	Passengers.	Goods.	Passengers.	Goods.	Passengers.	Goods.	Passengers.	Goods.
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
Great Western ...	0·8	1·1	0·9	1·1	4·4	7·0	4·5	7·0
London & North Eastern*	1·2	2·0	1·4	2·0	6·8	13·5	7·0	13·3
London Midland & Scottish	1·9	2·6	2·1	2·6	10·5	17·1	10·7	17·1
Southern	1·3	0·4	1·3	0·3	6·6	2·4	6·7	2·2
Total	5·2	6·1	5·7	6·0	28·3	40·0	28·9	39·6

* The London & North Eastern Railway Returns are made up a day earlier each week than the other lines.

RETAIL TRADE

(from the Board of Trade Journal)

Change in value since same date in previous year

	May, 1932.	May, 1933.	May, 1934.	April, 1935.	May, 1935.
By CATEGORIES: Great Britain	%	%	%	%	%
Total	− 5·9	− 0·2	+ 7·7	+10·3	+2·2
Food and Perishables	− 3·9	− 2·9	+ 6·9	+ 8·3	+6·3
Other Merchandise of which					
Piece-goods*	−11·5	+ 8·5	− 3·2	− 4·5	−5·4
(i) Household Goods ...	—	+10·4	− 1·3	+ 6·8	+0·7
(ii) Dress Materials	—	+ 8·8	− 3·9	− 9·1	−7·6
Women's Wear*	− 6·9	+ 1·5	+ 7·8	+15·3	−4·6
(i) Fashion Departments ...	− 7·2	+ 2·7	+ 7·4	+17·8	−2·7
(ii) Girls' & Children's Wear	− 7·8	− 0·5	+ 7·1	+10·6	−0·8
(iii) Fancy Drapery	−10·1	+ 0·5	+ 7·4	+14·8	−6·7
Men's & Boys' Wear	−10·5	+ 1·7	+13·6	+13·8	−6·2
Boots & Shoes	−13·1	− 3·2	+16·9	+21·9	−6·4
Furnishing Departments ...	− 9·4	+12·2	+ 5·6	+ 9·4	+3·5
Hardware	+ 0·6	+18·8	+ 7·9	+ 8·1	+4·7
Fancy Goods	− 4·5	+ 9·5	+ 5·3	+14·6	+7·0
Sports and Travel	− 9·8	+ 7·1	+ 7·5	+14·4	−0·7
Miscellaneous and Unallocated	− 1·5	− 6·6	+ 6·7	+ 5·9	+9·1
By AREAS—					
All Categories—					
Scotland	− 4·7	− 2·8	+ 7·3	+ 5·9	+4·5
Wales & North of England ...	− 7·7	− 2·2	+ 7·0	+ 9·1	+1·8
South of England	− 4·7	− 0·9	+ 9·0	+12·5	+2·6
London, Central & West End	− 4·7	+ 7·7	+ 3·3	+ 7·9	+2·0
London, Suburban	− 5·7	− 0·7	+12·6	+14·0	+1·5

* Including some goods which cannot be allocated to sub-headings.

OVERSEAS TRADE

Date.	Imports.				Exports.			
	Food.	Raw Materials.	Manufactured Goods.	Total.	Food.	Raw Materials.	Manufactured Goods.	Total.
Monthly Average—	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
1925	47·5	35·4	26·6	110·1	4·6	7·0	51·4	64·4
1929	44·6	28·3	27·9	101·7	4·6	6·6	47·8	60·8
1930	39·6	20·9	25·6	87·0	4·0	5·3	36·7	47·6
1931	34·7	14·4	21·8	71·8	3·0	3·9	24·3	32·6
1932	31·1	13·7	13·1	58·5	2·7	3·6	23·0	30·4
1933	28·4	15·0	12·6	56·3	2·4	3·8	23·4	30·6
1934	28·9	17·5	14·3	61·0	2·5	4·0	25·4	33·0
May, 1934	29·7	16·9	14·9	61·8	2·4	4·3	25·1	32·8
May, 1935	30·1	18·4	15·8	64·5	2·5	4·7	27·1	35·2

SOME LEADING IMPORTS

Date.	Wheat.	Iron Ore and Scrap.	Raw Cotton.	Raw Wool.	Hides, Wet and Dry.	Wood Pulp.	Rubber.	Iron and Steel Manufactures.
Monthly Average—	(thous. cwts.)	(thous. tons)	(thous. centals of 100 lbs.)	(thous. centals of 100 lbs.)	(thous. cwts.)	(thous. tons)	(thous. centals of 100 lbs.)	(thous. tons)
1925	8,071	373	1,578	606	155	103	163	227
1929	9,314	480	1,283	678	98	137	330	235
1930	8,731	363	1,011	652	108	128	326	243
1931	9,952	185	909	707	106	122	237	237
1932	8,803	159	1,048	765	105	153	176	133
1933	9,366	234	1,169	793	120	162	189	81
1934	8,554	392	1,054	659	116	187	395	114
May, 1934	9,356	476	1,029	739	84	233	307	122
May, 1935	10,517	463	870	1,189	126	193	391	86

SOME LEADING EXPORTS

	Coal.	Iron and Steel.	Machinery.	Cotton Yarns.	Cotton Piece-Goods.	Woollen Tissues.	Worsted Tissues.	Motor Cars.
Monthly Average—	(thous. tons)	(thous. tons)	(thous. tons)	(mill. lbs.)	(mill. sq. yds.)	(thous. sq. yds.)	(thous. sq. yds.)	(number)
1925	4,235	311	43	11·3	370	11,015	3,942	1,481
1929	5,022	365	47	11·8	306	9,016	3,940	1,991
1930	4,573	263	40	11·1	201	6,587	2,893	1,602
1931	3,563	165	27	11·4	143	4,694	2,479	1,429
1932	3,242	157	25	13·9	183	4,461	2,358	2,246
1933	3,256	160	23	15·8	169	5,110	2,741	2,821
1934	3,305	188	28	10·9	166	5,745	2,773	2,909
May, 1934	3,648	191	30	11·3	151	4,722	2,335	2,465
May, 1935	3,668	214	34	11·7	158	4,198	2,570	3,559

PRICES

1. WHOLESALE PRICES

Date.	Index Number (Sept. 16th, 1931 = 100).				
	U.K.	U.S.A.	France.	Italy.	Germany.
Average 1913	115·8	101·1	111·1	112·0	91·9
1925	177·9	152·3	154·1	148·9	130·2
1929	150·9	139·4	141·3	146·0	126·1
1930	129·3	125·1	124·3	125·0	103·8
1931	107·7	103·5	105·5	103·5	101·9
1932	103·5	89·3	92·0	93·1	88·7
1933	103·5	93·7	87·7	86·6	85·7
1934	106·4	111·1	83·1	84·2	90·4
End May, 1934 ...	106·5	109·5	84·7	83·9	88·5
„ April, 1935 ...	105·2	118·6	78·2	91·7	92·6
„ May, 1935 ...	107·7	119·3	79·8	94·2	92·7

Sources: U.K., "Financial Times"; U.S.A., Irving Fisher; France, Statistique Générale; Italy, Italian Chamber of Commerce; Germany, Statistische Reichsamt.

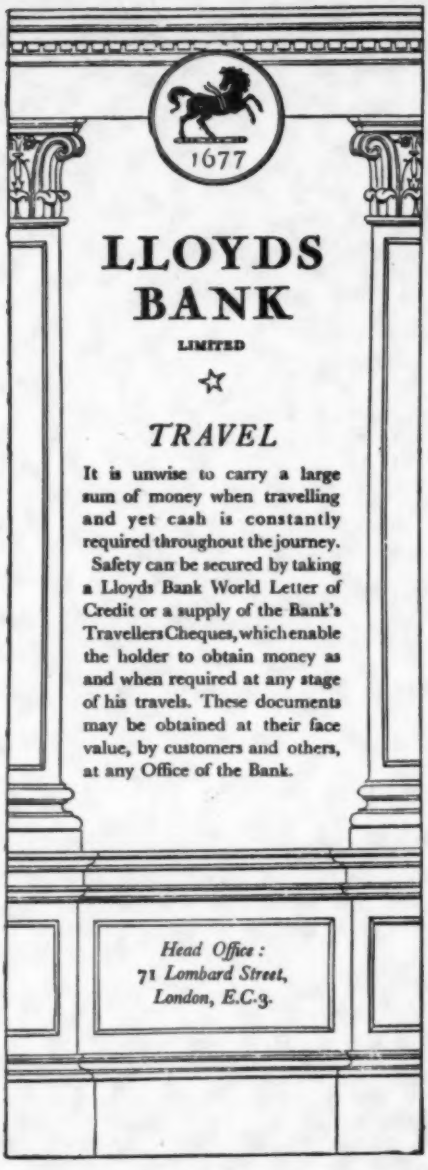
2. RETAIL PRICES (cost of living)

Date.	Food.	Rent (including Rates).	Clothing.	Fuel and Light.	Other Items included.	All Items included.
End of 1925 ...	71	48	125	80–85	80	75
1929 ...	57	52	115	75	80	66
1930 ...	38	54	105	75	75	53
1931 ...	31	54	90	75	75	47
1932 ...	23	55	85	70–75	70–75	42
1933 ...	24	56	85	70–75	70–75	42
1934 ...	25	56	85–90	70–75	70–75	43
End May, 1934...	17	56	85–90	65–70	70–75	38
„ April, 1935...	18	58	85–90	70	70	39
„ May, 1935...	20	58	85–90	70	70	40

The figures represent the percentage increase above July, 1914, which is equal to 100.

3. COMMODITY PRICES (average for month)

Date.	Wheat No. 1 N. Manitoba.	Sugar Centrifugals U.K.	Cotton American Middling.	Wool 64's tops avge.	Pig-Iron, Cleveland No. 3.	Tin, Standard Cash.	Rubber, Plantation Sheet.
	per qr. s. d.	per cwt. s. d.	per lb. d.	per lb. d.	per ton s. d.	per ton £	per lb. d.
Average 1913 ...	36 10	—	7·01	29 1/16	58 1¼	—	36½
1925 ...	66 4½	12 9	12·65	54 1/16	72 9½	261 3/16	34 5/16
1929 ...	54 0½	9 0½	10·29	38⅞	70 4½	203 1/16	10½
1930 ...	40 1½	6 7	7·44	26⅛	67 0	142⅛	5 1/16
1931 ...	28 2½	6 4½	5·08	23 1/16	58 7	118¼	3½
1932 ...	30 6½	5 9½	5·29	22 1/16	58 6	136 3/16	2 5/16
1933 ...	28 2	5 4	5·53	28 1/16	62 3	194 1/16	3½
1934 ...	30 11	4 8½	5·66	30 1/16	66 10½	230	6 5/16
May, 1934 ...	27 8	4 8½	6·12	34⅛	67 6	239 1/16	6½
April, 1935 ...	35 3½	5 0½	6·55	25 1/16	67 6	223 1/16	5⅛
May, 1935 ...	34 3	5 0½	6·86	27 1/16	67 6	226¼	5 1/16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